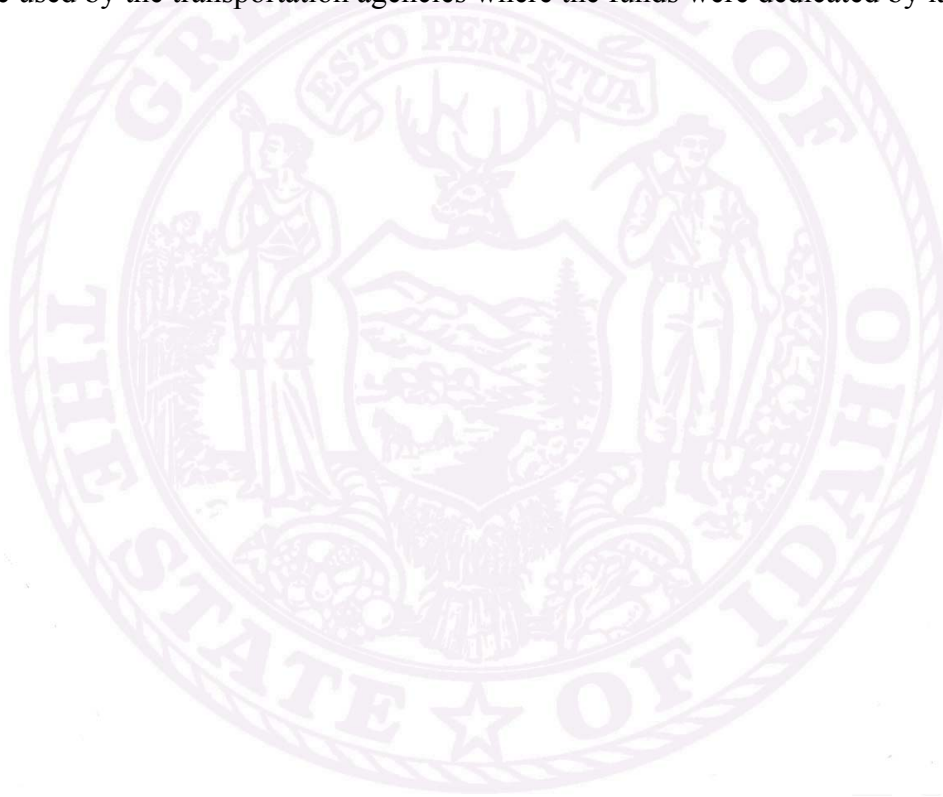


**STATEMENT OF PURPOSE****RS23449**

This legislation exempts road materials used to construct, improve and maintain our public roads from the sales/use tax. Currently, the fiction that the contractor is the end user of the materials is used to tax such materials even if they are provided by the State of Idaho or its subdivisions (ITD, Counties, Highway Districts and Cities) that have the responsibility to build and maintain our public roads. The result is higher cost for our road projects and a transfer of the money to the general fund.

**FISCAL NOTE**

There will be an impact to the sales tax revenues of \$15-20 million. This is split between the General Fund and local government. The impact to the General Fund is \$13,275,000.00 to \$17,700,000.00. The impact to local government (cities and counties) is \$1.725-2.3 million. This money will remain with and be used by the transportation agencies where the funds were dedicated by law.

**Contact:**

Senator Jim Rice  
(208) 332-1000

**Statement of Purpose / Fiscal Note****H0095**